



COMMUNITY DEVELOPMENT DEPARTMENT

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PLANNING COMMISSION MEETING MINUTES

REGULAR MEETING

AUGUST 24, 2010

PRESENT: Mueller, Tanda, Escobar, Koepp-Baker, Moniz

ABSENT: Liegl

LATE: None

STAFF: Planning Manager (PM) Rowe, Housing Manager Ordoñez, Consultant Josh Abrams, and Development Services Technician (DST) Bassett

Chair Mueller called the meeting to order at 6:59 p.m., inviting all present to join in reciting the pledge of allegiance to the U.S. flag.

DECLARATION OF POSTING OF AGENDA

Development Services Technician Bassett certified that the meeting's agenda was duly noticed and posted in accordance with Government Code Section 54954.2.

OPPORTUNITY FOR PUBLIC COMMENT

Chair Mueller opened, and then closed, the floor to public comment for matters not appearing on the agenda as none were in attendance indicating a wish to address such matters.

MINUTES:

July 27, 2010

COMMISSIONERS ESCOBAR AND TANDA MOTIONED TO APPROVE THE JULY 27, 2010 MINUTES WITH THE FOLLOWING REVISIONS:

Page 2 Paragraph 17: Mueller *opened and* closed the floor to public comment.

THE MOTION PASSED (5-0-0-1) WITH THE FOLLOWING VOTE: AYES: UNANIMOUS; NOES: NONE; ABSTAIN: NONE; ABSENT: LIEGL.

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ORDERS OF THE DAY

Orders remain as scheduled.

PUBLIC HEARINGS:

1)USE PERMIT, UP-10-05: JOLEEN- ALTAMIRANO:

A request for a Conditional Use Permit to establish a 3,275 square feet recreational vehicle repair shop in an existing building at 16885 Joleen Way in a Light Industrial Zoning District (APN 817-11-075).

Rowe presented his staff report and suggested that the hours of operation be extended so that the applicant wouldn't need to apply for an amended CUP later if the hours increased.

Moniz: Is this storage and repair, or just repair?

Rowe: Just repair.

Mueller opened the floor to public hearing.

Tim Altamirano, the applicant, appeared.

Altamirano: I worked at Alpine RV for 12 years and learned the trade there. I have been to tech schools and training seminars. I still have clients that contact me for repairs and upgrades. So that is why we decided to start a business in Morgan Hill. We will be concentrating on roof and window repairs, interior décor and cabinetry, appliance repairs, electrical, plumbing and the fiberglass shell. We will not be doing painting work. It is a good location for freeway access and the building has a good set up for RV repair and for dropping off and picking up the units.

Koepp-Baker: I am concerned about the hours. You might want to request a larger window for possible hours, and who will be there on Saturdays for drop-offs?

Altamirano: Mainly, I will be the one.

Koepp-Baker: Will you have an after-hours drop box?

Altamirano: I do not like to do that for liability reasons and because it is better to have a walk-through to know what the customer wants done.

Koepp-Baker: Will you have a container onsite for waste disposal?

Altamirano: Yes.

Mueller: Will you be doing oil changes and that sort of thing?

Altamirano: We would have to get clearance from Haz-Mat and that's something we could look at in the future. But right now, no.

Mueller: We should probably change Exhibit A to show hours of operation from 7:00 am to 7:00 pm, Monday through Saturday, to allow for growth and flexibility with customers, and then you wouldn't have to amend your Use Permit.

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Escobar: It doesn't mean you have to be there for those hours, it just gives you the latitude.

Mueller: Do you plan on selling accessories in addition to those parts necessary for the repairs?

Altamirano: At this point, no. I would have to look into that in the future.

Koepp-Baker: Wouldn't you like to include oil changes, transmission service, etc. into this Use Permit, so you don't have to come back and amend it later?

Altamirano: That makes sense.

Mueller closed the floor to public hearing.

Mueller: So Exhibit A should be amended to show hours of operation from 7:00 am to 7:00 pm Monday through Saturday with the ability to perform oil changes, transmission service, etc. and some accessory sales.

Rowe: That's already provided for under the code for major motor vehicle repair.

Moniz: Also, one correction is that Condition 1A should state 2012, instead of 2011.

COMMISSIONERS ESCOBAR AND MONIZ MOTIONED TO APPROVE THE CONDITIONAL USE PERMIT WITH REVISIONS TO EXHIBIT A FOR EXPANDED HOURS AND THE ABILITY TO PERFORM MAJOR MOTOR VEHICLE REPAIR AS ALLOWED UNDER THE CODE.

THE MOTION PASSED (5-0-0-1) WITH THE FOLLOWING VOTE; AYES: UNANIMOUS; NOES: NONE; ABSTAIN: NONE; ABSENT: LIEGL

2) GENERAL
PLAN
AMENDMENT,
GPA-10-03: CITY
OF MORGAN
HILL
HOUSING
ELEMENT
UPDATE:

The project consists of an update of the Housing Element of the Morgan Hill General Plan. The update has been prepared to meet the requirements of state law and local housing objectives. The update covers the period of 2007-2014. The updated Element includes a comprehensive statement of current and projected housing needs in Morgan Hill and goals, policies and actions intended to address those needs. A Negative Declaration is recommended to be adopted.

Rowe presented his staff report and then introduced consultant Josh Abrams.

Abrams: This Housing Element draft report went before the Planning Commission in October 2009. Since then it went to the City Council and then to the State Department of Housing and Community Development (HCD) and then came back to the City to address State HCD's comments. In comparison to other jurisdictions, we are a little bit ahead of schedule. Trends that can be seen are: 1) Slow and steady population growth; 2) Faster senior population growth; 3) Housing prices for families are improving; 4) Rental prices are more moderate than in the rest of the county.

Tanda: How often do we update the housing element? Is it every seven years?

Ordoñez: Yes. The prior cycle covered from 1999-2006.

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Tanda: Why is this being adopted in the middle of the cycle?

Abrams: The target adoption date was June 2009, so we're actually much closer to the target date than would appear. To get a thorough public participation it's a long process and the State doesn't usually provide its guidance council until part of the way through the cycle.

Rowe: In order to meet our "fair share," Measure C was taken to the voters in 2004 and that raised the population cap to 48,000 by the year 2020, so by doing that we were able to exceed the Regional Housing Needs Allotment (RHNA) numbers for that cycle. We also had to get voter approval of an amendment to the RDCS in order to get the previous housing element certified and that took some time. Additionally, ABAG asked for and was given an extra year to prepare the RHNA number for the current housing cycle.

Mueller opened the floor to public comment.

Glen Ritter, a Morgan Hill resident, appeared to contest the Housing Update and stated that one weekend is not enough time to review 90 pages of report and 90 pages of appendices.

Ritter: The demographics in the update do not support the amount of low income housing suggested in the report. I am not against providing low income housing for local people. I am against importing people simply to fill the numbers. As the Housing Department stated, we have more than met the RHNA numbers. That means people are coming in from outside of our city just to fill these units and then benefit from our dollars.

Moniz: Do you have proof of that?

Ritter: None of the low income providers would give me the figures that supposedly support this report. So that would indicate they're hiding something.

Tanda: What new residents would be filling these new homes, since we already have enough homes for our local residents?

Ritter: The units should at least be for people that were born here or that work here, but there is very little oversight in the BMR program to make sure that is what happens.

Dick Oliver of Dividend Homes appeared. I appeared in October 2009 with comments similar to Mr. Ritter's. The Housing Element provides a goal that then becomes numbers incorporated into Measure C. Presently, we are required to provide a 10 percent minimum of houses for BMR's. There is also a 20 percent set-aside for affordable housing for non-profits. That is a 30 percent minimum. Due to the downturn in the housing market, which could be for a longer period than we anticipate, we are going to see a huge overstock of very low and low income housing. If that isn't taken into account, then market housing will have to pay for the costs of the BMRs. But that is becoming increasingly difficult because 1)

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houses are selling for 30 percent less than they were two years ago; and 2) Green Building costs are rising astronomically. By 2011, developers will have to provide solar units for each house in a development of 50 units or more. That is very expensive and developers will be squeezed. I would like to see the Housing Element be flexible enough to account for the housing supply and demands.

Mueller closed the floor to public comment and called for a break at 7:57 then reconvened at 8:07.

Moniz: Item 1d-7 (RDCS Refinement) of the staff report seems like a really good idea. Has this been proposed before?

Mueller: We've actually have had different standards over the years. So it is ongoing.

Moniz: So it's already being done?

Mueller: Yes.

Moniz: Regarding Item 1f-2 (Density Bonuses and Other Incentives), are density bonuses actually being given out?

Mueller: No, most of the projects are in the lower end of the density range, so the competitive nature of the RDCS probably limits that.

Ordoñez: The density bonus is given for providing affordable housing. Tonight the housing community has stated that they feel they're already providing enough, so that's probably why it's not utilized.

Moniz: Item 1q-4 (Promote Extremely Low Income Housing), makes it appear that the city has exceeded its requirements, so why do we have to provide extremely low housing if we already have enough?

Ordoñez: This extremely low category was just newly created and all cities are required to do it. This is one area where cities have really pushed back.

Abrams: It doesn't mean Extremely Low Income Housing will get priority funding, it just means they'll get priority consideration.

Moniz: It says it will get "priority funding."

Ordoñez: Ultimately, the City has to decide what projects it will choose to give the allocations to. In the past, we haven't had more than one project in the low to median income affordable competition category at any one time.

Mueller: Due to funding, we don't normally fund more than one affordable project in any competition.

Ordoñez: Another thing to consider is that given the State takeaways, the resources for this will be diminishing.

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Moniz: So the State is requiring this no matter what?

Ordoñez: They said we have to address the issue. There is discretion of the City Council to decide what projects will get the priority attention. Another thing to consider is the developer's history.

Moniz: So the State isn't requiring us to provide funding.

Koepp-Baker: It sounds like the State is writing policy.

Abrams: The point was to have flexibility. We can talk to the State about this.

Escobar: One thing to remember is that you first need to have a project to consider. We haven't had any projects submitted in this (Affordable Competition) category for a couple of years.

Mueller: There are potentially two projects: The Crossings project at Hale and Wright, and the Central-UHC project that we will be able to count as extremely low income units in our RHNA numbers.

Ordoñez: Central-UHC receives housing trust monies and the Crossing receives CDGB funds. Another project you may be thinking about is the Diana-EAH project. They are still working on funding.

Moniz: What does "relief from building codes" mean in Item 3C-4, page 56?

Ordoñez: There might be situations when historic structures might not be required to comply with building codes for aesthetic purposes.

Mueller: Can anyone address any of the public comments?

Ordoñez: In response to the question of people being brought in from outside the community to fill the BMR units, Jan Lindenthal with the Mid Peninsula Housing Coalition and formerly with South County Housing stated in the October 2009 meeting that the majority of the students in affordable housing were already in the local school district or had ties to Morgan Hill. The school district, however, includes a larger area than just Morgan Hill city limits. Building and Planning are now putting together an annual update for RDCS and show the RHNA accomplishments that will be provided in the spring that will help us determine numbers to achieve our affordable housing objectives. Also, we get to include houses that are selling at market rates but still qualify as moderate rate because the price point in the current housing market falls into the right area.

Mueller: What if we can't meet the numbers shown?

Ordoñez: We just have to show that we're working on it and we can do that with annual updates from a subcommittee made up of housing staff and developers.

Moniz: So if we can count the Huntington Square project towards our low income

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units, shouldn't we really be exceeding the numbers required?

Ordoñez: It depends on the category. And based on the annual reports, we can determine where to adjust in future years.

Mueller: We can meet our requirements in two ways. We have BMRs under the RDSCS and we also have market rate units that are non-restricted but that might meet the low income price point. If we have a lot of those we could adjust the others down.

Koepp-Baker: Regarding Item 3d-4, what kind of senior housing are we looking at on single family lots?

Rowe: It could be small lot single detached, a market rental, or a secondary dwelling unit.

Abrams: The implementation policies will be adopted down the road. We don't want them as part of the Housing Element.

Tanda: The table on page 12 has target figures by income level. Once those numbers are negotiated, are they set in stone?

Abrams: That's not what we're committed to, but it's what we expect will happen. The predictions don't change the number of lower income residents.

COMMISSIONERS ESCOBAR AND KOEPP-BAKER MOTIONED TO APPROVE THE NEGATIVE DECLARATION

THE MOTION PASSED (5-0-0-1) WITH THE FOLLOWING VOTE: AYES: YES; NOES: NONE; ABSTAIN: NONE; ABSENT: LIEGL.

COMMISSIONERS ESCOBAR AND KOEPP-BAKER MOTIONED TO ADOPT A RESOLUTION RECOMMENDING AMENDMENT OF THE GENERAL PLAN BY ADOPTION OF THE UPDATED HOUSING ELEMENT.

Discussion:

Mueller: One of the local developers brought up the subject of BMRs. We may want to schedule a time to look at our BMR requirements in relation to current market conditions and we might want to do that a little earlier than usual.

THE MOTION PASSED (5-0-0-1) WITH THE FOLLOWING VOTE: AYES: UNANIMOUS; NOES: NONE; ABSTAIN: NONE; ABSENT: LIEGL.

3) AMENDMENT TO RESIDENTIAL DEVELOPMENT CONTROL SYSTEM (RDSCS)

Motion to approve an amendment to the Implementation Policy.

Rowe presented his staff report and stated that this is in response to action taken by the Planning Commission in June.

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IMPLEMENTA- TION POLICY FOR THE ON- GOING PROJECT SET-ASIDE

Tanda: What does the term “unused” mean in the last sentence of the newly proposed policy?

Rowe: It means they have been awarded allotments but have not pulled permits. We’ve had projects in past cycles where the permit has been pulled, the foundation started and then building has ceased and the permit has expired.

Tanda: So does the term “active” correctly describe what we’re after?

Mueller: There are projects that have met the “commence construction” definition but then have ceased construction. We want to make sure they don’t continue to get units unless they’re building. They could qualify for more units once they start up again.

Rowe: The key word is that the City Council “may” suspend the award of units.

Mueller opened the floor to public hearing.

Dick Oliver appeared and thanked staff and the commissioners for making the changes proposed in the last meeting.

Mueller closed the floor to public hearing.

COMMISSIONERS ESCOBAR AND KOEPP-BAKER MOTIONED TO APPROVE THE AMENDMENT TO THE IMPLEMENTATION POLICY WITH THE CHANGES AS SUBMITTED BY STAFF

THE MOTION PASSED (5-0-0-1) WITH THE FOLLOWING VOTE: AYES: UNANIMOUS; NOES: NONE; ABSTAIN: NONE; ABSENT: LIEGL.

ANNOUNCEMENTS/ COMMISSIONER IDENTIFIED ISSUES

PM Rowe announced that we are looking at consolidating items so that we don’t have to meet as frequently. We are trying to do that for one of the meetings in September.

CITY COUNCIL REPORTS

None.

ADJOURNMENT

Noting that there was no further business for the Planning Commission at this meeting, Chair Mueller adjourned the meeting at 8:54 p.m.

MINUTES RECORDED AND TRANSCRIBED BY:

ELIZABETH BASSETT, Development Services Technician